

Amendments to Senate Bill No. 282
1st Reading Copy

Requested by Senator Bruce Tutvedt

For the Senate Taxation Committee

Prepared by Jaret Coles
March 14, 2013 (10:51am)

1. Page 3, line 12.

Strike: "and"

2. Page 3, line 15.

Following: "residence"

Insert: "; and

(f)(i) except as provided in subsection (3)(f)(ii), the first \$3,830 of all pension and annuity income received as defined in 15-30-2101;

(ii) for pension and annuity income described under subsection (3)(f)(i), as follows:

(A) each taxpayer filing singly, head of household, or married filing separately shall reduce the total amount of the exclusion provided in subsection (3)(f)(i) by \$2 for every \$1 of federal adjusted gross income in excess of \$31,920 as shown on the taxpayer's return;

(B) in the case of married taxpayers filing jointly, if both taxpayers are receiving pension or annuity income or if only one taxpayer is receiving pension or annuity income, the exclusion claimed as provided in subsection (3)(f)(i) must be reduced by \$2 for every \$1 of federal adjusted gross income in excess of \$63,840 as shown on their joint return.

(4) By November 1 of each year, the department shall multiply the amount of pension and annuity income contained in subsection (3)(f)(i) and the federal adjusted gross income amounts in subsection (3)(f)(ii) by the inflation factor for that tax year, but using the year 2014 consumer price index, and round the results to the nearest \$10. The resulting amounts are effective for that tax year and must be used as the basis for the exemption determined under subsection (3)(f) "

3. Page 46, line 22.

Following: "~~state,~~"

Insert: "state,"

Following: "county,"

Insert: ", "

Following: "for:"

Insert: ":

(a) a benefit or annuity received in excess of the amount determined pursuant to [section 1]; or

(b) "

4. Page 46, line 29.

Following: "~~taxation and~~"

Insert: "taxation and"

5. Page 47, line 1.

Following: "~~(2)~~"

Insert: "(1) The amount determined pursuant to [section 1] of benefits received under this part is exempt from state, county, and municipal taxation.

(2) "

6. Page 47, line 5.

Following: "~~and taxation~~"

Insert: "and taxation"

Following: "~~(1)~~"

Insert: "(1) "

7. Page 47, line 12.

Following: "~~taxation.~~"

Insert: "(2) The amount determined pursuant to [section 1] of benefits received under this part is exempt from state, county, and municipal taxation."

8. Page 47, line 15.

Following: "~~and taxation~~"

Insert: "and taxation"

Following: "~~(1)~~"

Insert: "(1) "

9. Page 47, line 21.

Following: "~~taxation.~~"

Insert: "(2) The amount determined pursuant to [section 1] of benefits received under this part is exempt from state, county, and municipal taxation."

10. Page 47, line 28.

Following: "~~state,~~"

Insert: "state,"

Following: "~~county,~~"

Insert: ", "

Following: "~~Montana~~"

Insert: "of the state of Montana"

Following: "~~except for:~~"

Insert: ":

11. Page 48, line 1.

Following: "~~(b)~~"

Insert: "(a) a retirement allowance received in excess of the amount determined pursuant to [section 1]; or
(b) "

12. Page 48, line 13.

Following: "~~15-30-2110(2)(c)~~,"

Insert: "except for a retirement allowance received in excess of the amount determined pursuant to [section 1],"

Following: "~~state~~,"

Insert: "state,"

Following: "~~county~~,"

Insert: ", "

- END -

Explanation - This amendment creates a pension or annuity exemption. It increases the exemption over current law by doubling the phase-out for married taxpayers filing jointly.